

1 UNITED STATES DISTRICT COURT
2 SOUTHERN DISTRICT OF NEW YORK

3 IN RE TATIANA AKHMEDOVA,

4 Applicant,

19 mc 26 (JPO)

5 -----x
6 New York, N.Y.
7 September 10, 2020
8 2:45 p.m.

9 Before:

10 HON. J. PAUL OETKEN,

11 District Judge

12 APPEARANCES

13 HOLLAND & KNIGHT LLP
14 Attorneys for Applicant

15 BY: JAMES H. POWER
16 MARIE LARSEN

17 SIMON HARTER
18 Attorney for Miscellaneous Y.CO NY Inc.

1 (Case called)

2 THE DEPUTY CLERK: Starting with counsel for
3 Ms. Akhmedova, please state your name for the record.

4 MS. LARSEN: Good afternoon, your Honor. This is
5 Marie Larsen from Holland & Knight on behalf of Tatiana
6 Akhmedova.

7 MR. POWER: And this is James Power of Holland & Night
8 on behalf of Tatiana Akhmedova.

9 MR. HARTER: Good afternoon, your Honor. This is
10 Simon Harter, and I represent a nonparty who has been
11 subpoenaed, Y.CO NY.

12 THE COURT: Good afternoon, everyone.

13 Is there anyone else who wanted to identify
14 themselves? If you're just nonparties, you don't need to.

15 Is there anyone else who wants to?

16 Okay. I scheduled this call, and I'm sorry about the
17 delay. The parties have a joint issue regarding a motion to
18 compel Y.CO NY to respond to a subpoena. And this is seeking
19 discovery in aid of overseas litigation.

20 The nonparty, Y.CO NY, has opposed the motion to
21 compel filed by the applicant and seeks to quash the subpoena.
22 The parties spent a lot of time kind of screaming at each other
23 and saying a lot of sort of unhelpful stuff.

24 What I really want to know -- and I guess I'll let
25 Ms. Larsen or Mr. Power address this -- is why in God's name

1 are you wasting the time of a federal court if everything
2 sought in this subpoena is within the ambit of a subpoena
3 that's being vigorously litigated in state court across the
4 street?

5 MS. LARSEN: Yes, your Honor. This is Marie Larsen
6 speaking. Just to clarify, you're correct that a separate
7 subpoena has been served in the New York state action.

8 That subpoena I would not say is being vigorously
9 litigated. We have obtained a judgment in the New York action.
10 Although we contend that Y.CO's response to that subpoena is
11 also deficient, we --

12 THE COURT: Is there anything sought here that's not
13 sought there?

14 MS. LARSEN: No, your Honor.

15 THE COURT: Is there a standard, a legal standard, for
16 what's producible here that's different from there?

17 MS. LARSEN: Well, there is a specific issue which has
18 to do with the confidentiality agreement. So the documents
19 which are being produced in the New York action have been
20 limited to being used solely in that action.

21 So currently, we are not allowed to use any documents
22 obtained in that action for the purposes of the foreign
23 litigation, which, as you know, is the entire purpose of this
24 1782 action.

25 THE COURT: Can't you request relief from that, from

1 the judge there? That's to enforce the foreign judgment, isn't
2 it?

3 MS. LARSEN: Well, there is separate foreign
4 litigation ongoing that is adjudicative and involves adding new
5 parties in the English proceedings and so on. So the issues
6 are slightly different in the two litigations, even though they
7 arise out of a similar set of facts.

8 THE COURT: So that is seeking to enforce a particular
9 judgment.

10 What judgment is that? I'm talking about the state
11 court case.

12 MS. LARSEN: Yes. So that is a judgment in our
13 client's favor. There are two English judgments which amount
14 to approximately \$500 million. So the New York action is to
15 recognize the English judgment in New York. That's currently
16 on appeal to the First Department.

17 The documents requested in this action have to do with
18 ongoing litigation in England arising out of that judgment.
19 But there is additional adjudication about adding defendants
20 and clawing back fraudulent transfers, and so forth.

21 THE COURT: I'm sorry. That's going on in New York
22 state court?

23 MS. LARSEN: No. That's going on in the English
24 proceedings.

25 THE COURT: You said the state court action is on

1 appeal to the First Department.

2 Is it stayed in the trial court, or is it still going?

3 MS. LARSEN: No. It's not stayed.

4 THE COURT: Why do you say it's not being vigorously
5 litigated yet.

6 MS. LARSEN: There is no stay in the trial court, but
7 there is certainly not ongoing litigation happening at the
8 moment. We have received recognition of the foreign judgment,
9 and that has just completed briefing in the First Department.

10 THE COURT: What's going on in the trial court?

11 MS. LARSEN: At the moment, nothing. There was some
12 briefing related to an attachment of funds, but that was
13 recently resolved.

14 THE COURT: Okay. How do you justify coming to
15 federal court seeking a subset of what you're seeking in the
16 state court?

17 MS. LARSEN: Well, the documents that were requested
18 here were completely unrelated to the New York action which was
19 pending at the time that this action was filed. So these
20 documents are being used for the purposes of litigation which
21 is ongoing in England.

22 We are certainly entitled to post-judgment discovery
23 in New York, but the scope of requests are slightly different
24 in that action. In that action, 14 document requests were
25 made. And in this action, only one document request was made,

1 a simpler document request, which is for Y.CO NY's file as to
2 the vessel, NY Luna, which is an asset of the judgment debtor.

3 THE COURT: Describe in common sense terms what
4 documents you're seeking to compel.

5 MS. LARSEN: So we expect that there is a file at Y.CO
6 New York and its affiliates -- it has various Monaco and
7 London-based affiliates -- which maintain correspondence with
8 the owner; correspondence that Y.CO has on behalf of the owner
9 with vendors for the vessel, for example, the flag state.

10 Y.CO manages the registration of the vessel in the
11 Marshall Islands. Correspondence with other third parties
12 related to the vessel. There are management agreements with
13 the various owners that have been in charge of the vessel over
14 the past six years, so internal documents related to powers of
15 attorney that have been issued; internal documents related to
16 payments that are made.

17 Y.CO NY for about five years maintained a bank account
18 in the United States for the purposes of making payments on
19 behalf of the vessel and on behalf of the owner in connection
20 with the vessel.

21 So there is an entire file of documents related to
22 this vessel that the applicant is interested in for the
23 purposes of showing that various entities that it's litigating
24 against in England have been involved in secreting assets in
25 connection with the estoppel.

1 THE COURT: In seeking them in the state court, what's
2 the status of that category of documents?

3 MS. LARSEN: So in the state court, that specific
4 document request, which was also included in the state court,
5 Y.CO has objected to that request. We also believe that that
6 production has been deficient. We planned to file a motion to
7 compel there as well, but the court was closed for many weeks
8 because of the pandemic.

9 Certainly the small batch of documents that have been
10 produced are not sufficient to constitute the entire file that
11 we've requested here. So for that reason, we reject the
12 argument that somehow these requests are duplicative of each
13 other. And even if they were, the documents were not produced
14 in the other action in any event.

15 THE COURT: Why are they not duplicative?

16 MS. LARSEN: Well, in this action, we've only made one
17 request. Even though it was contained in the other subpoena,
18 it was not answered in the New York subpoena. So we have not
19 received the documents responsive to this request to date.

20 THE COURT: But I thought you made some separate point
21 about how it's not duplicative.

22 MS. LARSEN: Well, in Y.CO's papers, they've argued
23 that the subpoena requests are the same. I'm merely pointing
24 out that, yes. While this request was contained there, it was
25 not -- the subpoenas are not exactly the same. I'm just trying

1 to clarify that point.

2 In any event, in response to the fact that it was
3 listed in the other subpoena, we did not receive those
4 documents in any event from Y.CO.

5 THE COURT: Okay. Understood.

6 Mr. Harter.

7 MR. HARTER: Thank you, your Honor. I apologize.
8 There's a lot to respond to. But before I get into
9 Ms. Larsen's comments, I would just like to say one thing if I
10 may.

11 Your Honor, this is a global battle. And by "global,"
12 I mean that there are litigations in numerous different
13 countries. This battle is being carried out between two
14 unspeakably wealthy people.

15 Caught in the middle here and in the New York state
16 court action is Y.CO NY, which has two people associated with
17 it. Its only presence in New York is that it has bank
18 accounts, different bank accounts, containing only clients'
19 funds. There is not a single person associated with Y.CO NY
20 who goes to an office. They have no presence.

21 This is now, however, the third subpoena that has
22 issued out of Holland & Knight. The first one was issued to a
23 separate Y.CO company in Florida, then they issued the subpoena
24 in New York state court, and now we're here.

25 Ms. Larsen just gave an explanation, some specific

1 reasons about what they expected to have received. She
2 mentioned management agreements. I gave them all the
3 management agreements. She mentioned other things about other
4 kinds of files.

5 Your Honor, this is the first I'm getting any specific
6 explanation from the plaintiff as to why Y.CO NY's response to
7 the state court subpoena was deficient, other than a vague
8 statement that your production is deficient.

9 To say that the two subpoena requests -- there is one
10 question in the subpoena in this court. To say not only that
11 they're not duplicative, but Ms. Larsen said they're unrelated.

12 Your Honor, they're identical. They seek identically
13 the same documents, and never once have we heard an explanation
14 of -- we've heard expectations. They're expecting to get this
15 filed that they expect exists.

16 Why didn't they tell me that when I produced 1,500
17 pages of documents in the New York state court case?

18 THE COURT: You're also counsel in the state court
19 case?

20 MR. HARTER: Yes. I absolutely am. When myself and
21 Mr. Power first discussed -- when we first discussed Y.CO at
22 all, it was in December. At that point in time, I had already
23 been retained to act for Y.CO NY in the state court case. But
24 very shortly thereafter when Holland & Knight asked if I was
25 going to be retained in this case, I asked the client. And the

1 client said yes.

2 The other way in which the plaintiff has tried to
3 distinguish the two cases is they say, well, there's a
4 confidentiality order in the state court case. So we can't use
5 those documents in the action in London.

6 Your Honor, that was a negotiated and stipulated
7 confidentiality order. It wasn't something that we went into
8 court unilaterally and sought. The reason why we requested
9 that the plaintiff agree to a confidentiality order, which the
10 plaintiff did agree to, was because, as we showed them in the
11 management contracts we produced, there is a contractual
12 confidentiality obligation on my client.

13 That obligation applies identically in the New York
14 state action and in this action to my client. And yet, when we
15 were negotiating the confidentiality stipulation, there was not
16 one word mentioned that they were going to take this shocking
17 position in this case that there was a difference.

18 Now, your Honor asked if they had sought relief in the
19 other court from that confidentiality stipulation. Your Honor
20 also asked what's the status of my client's subpoena response
21 in the state court action.

22 And the answer is that the plaintiff has done nothing
23 in the state court action since we finished responding to that
24 subpoena in June. So in any event, when it comes to the
25 confidentiality stipulation in the New York state action,

1 counsel for plaintiff wrote me a letter and said, hey, in the
2 London case, we've added some new defendants. And we'd like
3 you to agree to lift confidentiality on, and they attached a
4 list of the documents that Y.CO NY had already produced.

5 I wrote back to Holland & Knight. And I said, look.
6 Here are my concerns. As I've explained, there's a
7 confidentiality -- and I invited discussion, your Honor.
8 Instead of taking me up on that invitation, Holland & Knight
9 told this Court that Y.CO NY refused to do so.

10 As I indicated in my submissions, your Honor, if they
11 have a problem with our response to the New York state court
12 subpoena that we completed in June, then they should take that
13 up in the New York state case which is now, as they've already
14 indicated, fully re-engaged with this case.

15 The New York state court judge has dealt with a TRO, a
16 motion for recognition of the first English judgment, questions
17 over an attachment order, and the motion for contempt that the
18 plaintiff brought against my client which was denied. That
19 judge in the state court action knows a great deal about this
20 case.

21 Now, one last point. It is correct that the plaintiff
22 has added some new defendants in the English action. But the
23 plaintiff took the first English judgment to the New York state
24 court action and got recognition of that judgment.

25 To hear the plaintiff speak now, it's as though they

1 can't do that if they get another judgment against the
2 additional defendants. Of course they can.

3 So why would they go take one judgment from the same
4 court in the UK to state court and a different judgment to this
5 Court to enforce?

6 When it comes to discovery for use in foreign
7 proceedings, we've only heard about this English proceeding.
8 We do know that the yacht itself, which is what the plaintiff
9 is trying to get legal ownership to because the divorce
10 judgment is for half a billion dollars. And very conveniently,
11 the yacht is worth about the same.

12 This is the second largest expeditionary yacht in the
13 world. What I mean by "expeditionary" I mean it's a yacht that
14 actually sails rather than sits in a harbor looking pretty.

15 THE COURT: Has anyone been on the yacht?

16 MR. HARTER: I haven't been on it, your Honor. But
17 it's got its own Wikipedia page.

18 THE COURT: I know. I looked it up. I think we
19 should do a tour of the yacht.

20 Mr. Power, Ms. Larsen, have you guys been on the
21 yacht?

22 MS. LARSEN: No.

23 MR. POWER: Your Honor, I have not been on the yacht.
24 But I can tell you that I would much appreciate an order from
25 you saying that you are ordering myself and Mr. Harter to go

1 and the yacht and gather these very same documents that we're
2 asking for. I would love to have that order, your Honor.

3 THE COURT: Go ahead, Mr. Harter.

4 MR. HARTER: Thank you, your Honor.

5 I was starting to talk about the yacht being in Dubai.
6 The plaintiffs took the same English judgment I believe or
7 other English judgments to Dubai to get them recognized in
8 Dubai so that they could get the yacht.

9 Well, on August 20, just a couple weeks ago, the
10 highest court in Dubai rejected that application and declared
11 the issue res judicata, which I'm telling you about.

12 Again, Y.CO is a company that has less than 100
13 people. It's had to lay off 10 percent of its workforce since
14 COVID struck. One of the people it had to lay off, Mr. Russell
15 Stockhill, was the primary client contact for this vessel.

16 We're just getting whipsawed. My client doesn't have
17 anybody paying their bill. They're having to pay this for all
18 of these inconsistent actions by the plaintiff -- first in the
19 Southern District of Florida, then in New York state court, and
20 now in your Honor's court.

21 THE COURT: Isn't Y.CO the company that manages the
22 yacht? A sort of U.S. side of yacht operations? Isn't that
23 what it is?

24 MR. HARTER: No, your Honor. Y.CO manages yachts.
25 The Luna is managed out of their office in Monaco. The office

1 in Fort Lauderdale manages U.S.-based yachts.

2 Now, when I say "manage," they arrange crewing, they
3 deal with operations of the yacht, legal compliance, safety
4 issues, registration issues, annual mechanical inspections,
5 technical issues when they arise, changes that have to be done
6 when the yacht is refitted, and all of the financial aspects of
7 getting a yacht to move from one place to another.

8 So there are five people that work full time just on
9 this yacht. It's Y.CO's largest yacht, which is no surprise,
10 considering it's the second largest yacht that actually leaves
11 port, practically speaking, in the world.

12 THE COURT: As of now, the yacht is owned and
13 possessed by Mr. Akhmedova?

14 MR. HARTER: I don't know about the ownership, your
15 Honor. I defer to Holland & Knight because I don't know where
16 that ownership issue stands.

17 All I do know is that a couple of weeks ago, the court
18 in Dubai, the highest court in Dubai, refused to recognize the
19 English judgment in the plaintiff's favor, which would have
20 allowed her then to enforce her half-billion-dollar judgment by
21 taking the yacht itself.

22 THE COURT: Do you have anything to add on that,
23 Ms. Larsen?

24 MS. LARSEN: Yes. I certainly do. The fact is
25 Mr. Harter is correct that this is a worldwide litigation in

1 many jurisdictions. Our client has the largest divorce
2 judgment in England.

3 To claim that Y.CO is being dragged into this by our
4 client ignores the fact that they manage a yacht which, yes.
5 It's involved in a large litigation.

6 Our client's ex-husband is using a web of entities to
7 hide his billion dollars' worth of assets from our client. And
8 the largest of those assets is this yacht. There is also a
9 litigation going on in the Marshall Islands, which is the flag
10 state of the yacht, where Ms. Akhmedova does have this
11 favorable judgment.

12 Recognizing the English judgment, the flag state has
13 the authority to turn over ownership of the yacht to her once
14 that judgment is confirmed by the Supreme Court of the Marshall
15 Islands. So, yes. There is a lot of litigation.

16 But to claim that all of the discovery related to
17 these various actions must all take place in the New York state
18 court action is just not the case.

19 Yes. Ms. Akhmedova is adding defendants in England
20 because Mr. Akhmedova is using a web of entities and using his
21 son to help him own this yacht, manage the yacht, make payments
22 related to the yacht, and to transfer funds to avoid her
23 judgment.

24 So Y.CO is in possession of documents related to the
25 addition of defendants which is an active litigation. The

1 suggestion that we should go to New York where we have
2 recognized a money judgment under the New York Convention is
3 completely unrelated to an ongoing litigation where we have
4 asked for discovery assistance related to that litigation.

5 Eventually when we get a separate money judgment in
6 England against the new defendants, maybe at that time we would
7 bring that to New York to recognize. But this is in the
8 prejudgement stage with respect to prejudgement for this
9 additional litigation.

10 THE COURT: So who are you talking about? The new
11 parties you're talking about in England.

12 MS. LARSEN: So the new parties include
13 Ms. Akhmedova's son, Timur, who assists his father managing the
14 yacht. And it includes Lichtenstein trust and trustees which
15 are actively involved in moving these assets around between
16 various trusts that are hard for her to reach.

17 THE COURT: This is all about enforcing this big
18 judgment, and that doesn't take it out of 1782. But that makes
19 it essentially parallel to the state court procedure you're
20 using which is enforcing a foreign judgment, registering and
21 enforcing a foreign judgment.

22 I wonder why this isn't a question of abstention,
23 Colorado River abstention as opposed to the other types of
24 abstention where there are parallel state court proceedings.

25 To the extent there are legal issues involving hiding

1 assets, fraudulent conveyances, whatever, those all could be
2 encompassed within a state court action to enforce a foreign
3 judgment.

4 I don't know why I wouldn't abstain insofar as there
5 is a state court that's looking at this. It just seems so
6 wasteful to have me -- I have 400 civil cases and a bunch of
7 criminal cases, and everything is behind because we haven't
8 been doing jury trials since March.

9 It just seems so wasteful, not to mention the issues
10 of comity for me to step in to grant the relief you request
11 when there is a state court action covering the entirety of the
12 subpoena here.

13 MR. POWER: Your Honor, this is James Power.

14 THE COURT: Yes.

15 MR. POWER: I don't want to interrupt my colleague.
16 My name was thrown in the mix, and I do have probably some
17 additional information.

18 So, one, I do think it's certainly an
19 oversimplification or an overstatement to suggest that the
20 New York state action is parallel or duplicative of what is
21 going on in the foreign proceedings. It is only a small part
22 of it. It is not in any way duplicative.

23 I want to make one more other point as to, again,
24 how -- I had suggested to move forward and what is creating
25 this sort of Gordian knot here, so to speak, is the documents

1 produced in New York -- remember. I believe we got the 1782
2 order before we got a judgment in New York.

3 So the order in 1782 I believe predates even the
4 New York judgment. So insofar as there is a timeline here, we
5 always knew we needed these documents for use in foreign
6 proceedings.

7 It just so happens that a judgment was entered fairly
8 quickly in New York. We did serve a subpoena for the purposes
9 of judgment enforcement. Obviously it was time sensitive.

10 And I believe Y.CO, again, whose number one client is
11 Mr. Akhmedova and who will do anything on his behalf,
12 including, again, it seems to me won't do anything against his
13 interests. In this particular case, delay is in
14 Mr. Akhmedova's interest.

15 So when the documents were produced in accordance with
16 the New York subpoena, they were produced -- in other words,
17 they were, I would say, withheld unless I agreed to an
18 incredibly restrictive protective agreement saying they can
19 only be used in New York.

20 While I agreed to that, Mr. Harter and I of course
21 knew that the 1782 subpoenas were still outstanding. Under no
22 circumstance and under no basis would I ever agree to say, give
23 me documents in a New York proceeding.

24 I basically was having a gun held to my head saying,
25 if you want these documents, you better agree to a protective

1 agreement. And that protective agreement then later precludes
2 me from ever using documents obtained in the 1782 in the very
3 foreign proceedings that we are pursuing.

4 So in essence, it was a bargain that we agreed to to
5 get documents quickly, which we did use successfully in the
6 New York action showing that the funds of Mr. Akhmedova were
7 being held in the Y.CO accounts.

8 Y.CO held \$25 million of Mr. Akhmedova's money in
9 New York in the Southern District, despite Mr. Akhmedova saying
10 he didn't have any property in New York. By the very documents
11 that were given by Y.CO, we proved that case in New York.

12 Now, the problem that happened is when we went to
13 seize those funds, Y.CO, Mr. Foster, the very person who we're
14 seeking documents from in the 1782 action, woke up at 4:00 in
15 the morning after a TRO was served and wire transferred I
16 believe it was \$2 million from the Y.CO NY account on behalf of
17 Farkhad to Farkhad Lichtenstein account.

18 MR. HARTER: Your Honor --

19 MR. POWER: Let me just finish.

20 May I finish just for a moment?

21 THE COURT: Go ahead. Finish.

22 MR. HARTER: No, Mr. Power.

23 MR. POWER: Mr. Harter may have a different
24 interpretation of why he woke at 4:00 in the morning. But
25 regardless, that's the state court action. I think we're

1 drifting down the road with the state court action that again I
2 think is irrelevant.

3 I have suggested I think a reasonable start for the
4 1782 -- I understand this Court has a large docket, and we
5 don't want to clog it up. But the New York state court has it
6 even -- I would say the delays in New York state are extreme to
7 put it mildly.

8 So to suggest that we would have to wait a year and a
9 half to try to litigate on this protective agreement for
10 documents to be used in a foreign proceeding when we have a
11 validly filed and we think legally sufficient 1782 application,
12 even if it's to get similar documents -- obviously we would
13 welcome the production of those same documents in New York as a
14 start but, of course, not subject to the protective agreement.

15 Now we could have a reasonable conversation, myself
16 and Mr. Harter, with this Court what would be the terms of a
17 protective agreement in this case using the same documents.

18 It cannot be the protective agreement that we signed
19 in New York saying which says he documents can only be used in
20 New York, because, to me, it wouldn't make sense that one party
21 could use a state court action to deny the same party the right
22 to get documents in another action to use in a foreign
23 proceeding by way of a stipulation. That stipulation doesn't
24 say, by the way, that we don't get to pursue our rights under
25 the 1782.

1 Unless Mr. Harter believes that that was something
2 implicit in that agreement, I certainly would say it was not.
3 In fact, I would suggest that I would never get authority from
4 a client to be able to agree to such restrictive terms.

5 THE COURT: Let me ask Mr. Harter if you'd like to
6 respond, including addressing the point about why, given the
7 purpose of a 1782, the applicant here should be restricted to
8 not being able to use the documents outside of New York.

9 MR. HARTER: Certainly, your Honor. If I may just
10 very briefly, I pointed out in my surreply that counsel for the
11 plaintiff had made a false representation to this Court in
12 stating that there was a pending motion for contempt on the
13 very matter Mr. Power was just discussing, a TRO.

14 At the time that they submitted that to your Honor
15 under the strictures of Rule 11, they knew that that motion had
16 already been denied. Mr. Power has just told you a number of
17 things that are factually incorrect. But I'll just get to the
18 bottom line.

19 They sent the email to Y.CO in Monaco but not to
20 Mr. Foster who he's talking about. They sent it to a general
21 mailbox. It was the middle of the night as he said.

22 Mr. Foster didn't get up at 4:00 a.m.

23 Not only that, but their inability to send the email
24 to the correct person is surprising when one considers that
25 Holland & Knight represent Y.CO, Inc. in Florida and it's only

1 because their retainer letter unbelievably constitutes a waiver
2 of a conflict in cases like this.

3 But most of all, your Honor, they weren't even
4 authorized by the Court in the order granting the TRO to serve
5 via email. So that has been just a very unfortunate
6 digression.

7 The issue that your Honor asked about about the
8 different purposes of the two actions, I certainly understand
9 that point. However, what seems to be getting lost in the
10 comments being made by counsel for the plaintiff is that we
11 provided them with years' worth of management contracts for
12 this vessel. And every one of them has a confidentiality
13 clause in it. That's why I asked for the confidentiality
14 stipulation.

15 Mr. Power makes it sound like it was extortion. If he
16 wasn't happy with it, he could have gone to court. They still
17 have yet to file any sort of motion to compel. They have still
18 yet to file any motion seeking relief. They haven't even
19 responded to my invitation to discuss the point.

20 So to my client, yes. The two actions are different.
21 But my client is still under the same contractual
22 confidentiality obligation. It's got the same exposure in both
23 cases.

24 Now that's not to say that my client isn't willing
25 to -- look. I've been saying to Mr. Power all along we know --

1 Y.CO NY knows -- I put this in writing to him -- that we are
2 legally bound to respond to subpoenas.

3 At the same time, I've said, but at the same time Y.CO
4 NY is under this contractual confidentiality agreement. And we
5 put the wording of that agreement in front of him. He and I
6 had several back-and-forth emails. And we ended up agreeing to
7 a stipulation. We even made a change after we were at the
8 final draft that Mr. Power requested.

9 So the issue for my client is the same, and that is
10 that we have a confidentiality obligation that unless we do
11 what we need to do in a legal action, we run the risk of
12 getting sued.

13 None of this deals with the fact that the single
14 question in the subpoena in this court is identical to one that
15 we've already answered. It's absolutely identical.

16 What use the plaintiff wants to put our responses
17 to -- that's one issue. But it's the identical question. It's
18 90 percent already in the New York state court in front of a
19 judge that's had to deal with so much of this case already, the
20 merits of this case.

21 The last thing. I'm sorry. If I understood
22 correctly, before Mr. Power started speaking, Ms. Larsen said
23 that the plaintiff has obtained a judgment in the Marshall
24 Islands, which is the country in which the yacht is actually
25 legally registered, that is in the plaintiff's favor,

1 recognizing the English judgment, and that the Marshall Islands
2 has the power to change the ownership documents over to her and
3 the only thing holding them back is it's on appeal.

4 If that's true, why is Y.CO NY being put through all
5 of this when once that appeal is addressed, if it's in the
6 plaintiff's favor, all of this is over, at least insofar as
7 what they want from Y.CO is concerned, because then she'll have
8 ownership of the yacht, which is exactly what Ms. Larsen said
9 is the goal here.

10 THE COURT: Okay. I've heard enough. I'm going to
11 deny the motion to compel and grant the motion to quash filed
12 by Y.CO without prejudice to renewal after six months if things
13 in the state court turn out to be illusory in terms of the
14 relief that is duplicative.

15 The reason for it is because I find the Colorado River
16 abstention or analogous doctrines that would apply I conclude
17 in the 1782 context make it inappropriate to pursue this matter
18 which is a subset of what's being litigated in the state court.
19 And alternatively, in a situation where this is being litigated
20 in the state court, discovery here would not be proportional to
21 the needs of the case. That's my ruling.

22 Anything further?

23 MR. HARTER: No. Thank you, your Honor. Thank you
24 for the opportunity to speak.

25 THE COURT: Anything further from Holland & Knight?

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MS. LARSEN: No, your Honor.

THE COURT: Thanks, everybody. We're adjourned.

MR. POWER: Thank you.

THE COURT: Bye-bye.

(Adjourned)